



Provider Assessments

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Provider Assessment

- What is it?
 - A method where KS Medicaid utilizes dollars paid in by providers to spend as Medicaid certified expenditures – qualifying for additional federal matching dollars
 - It is as if providers give the state a line of credit that is used to draw additional federal funds
 - States use the monies to fund quality long-term care services for seniors and people with disabilities
 - **Fee plus federal match can be used to increase Medicaid rates**

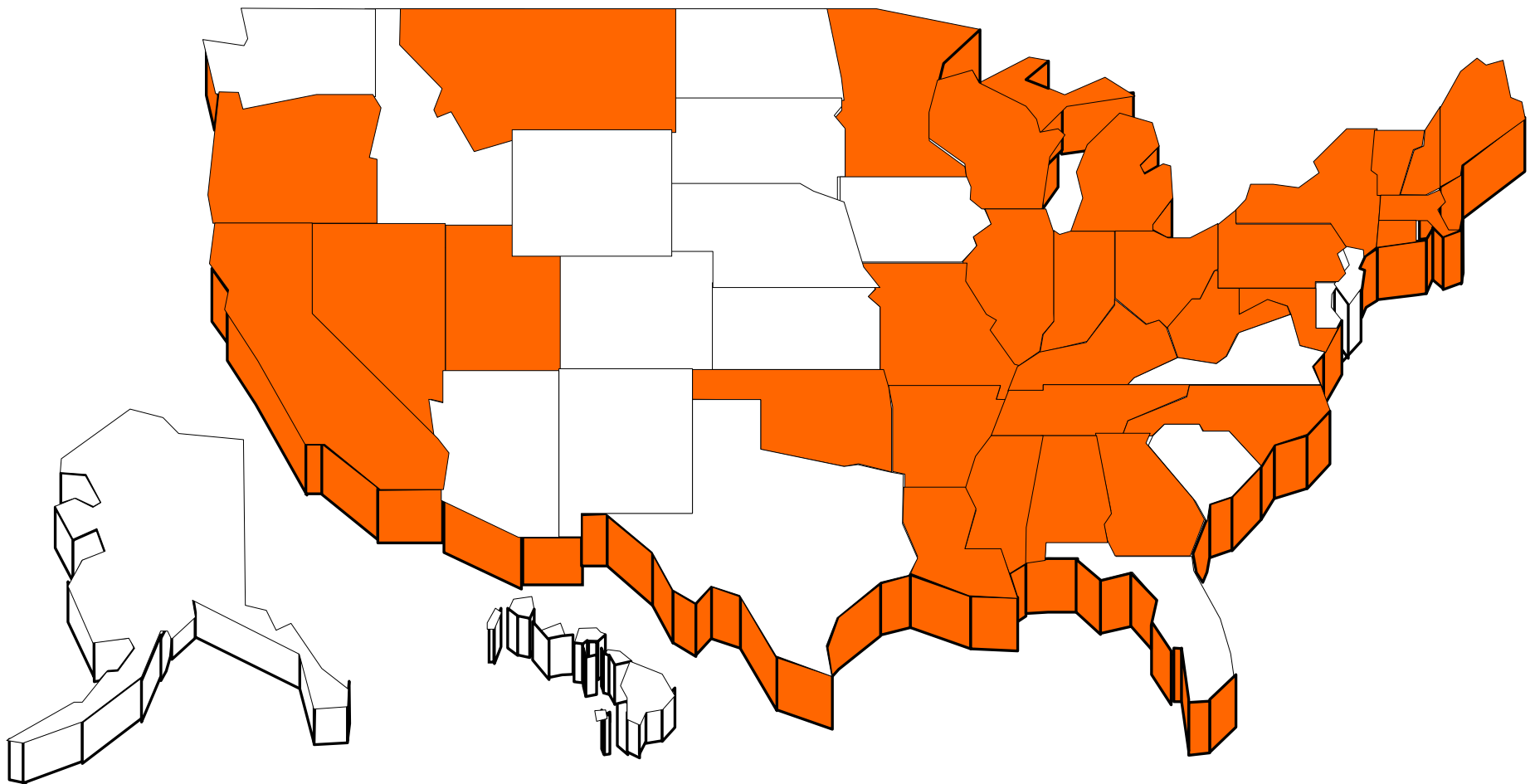


Provider Assessments are Legitimate

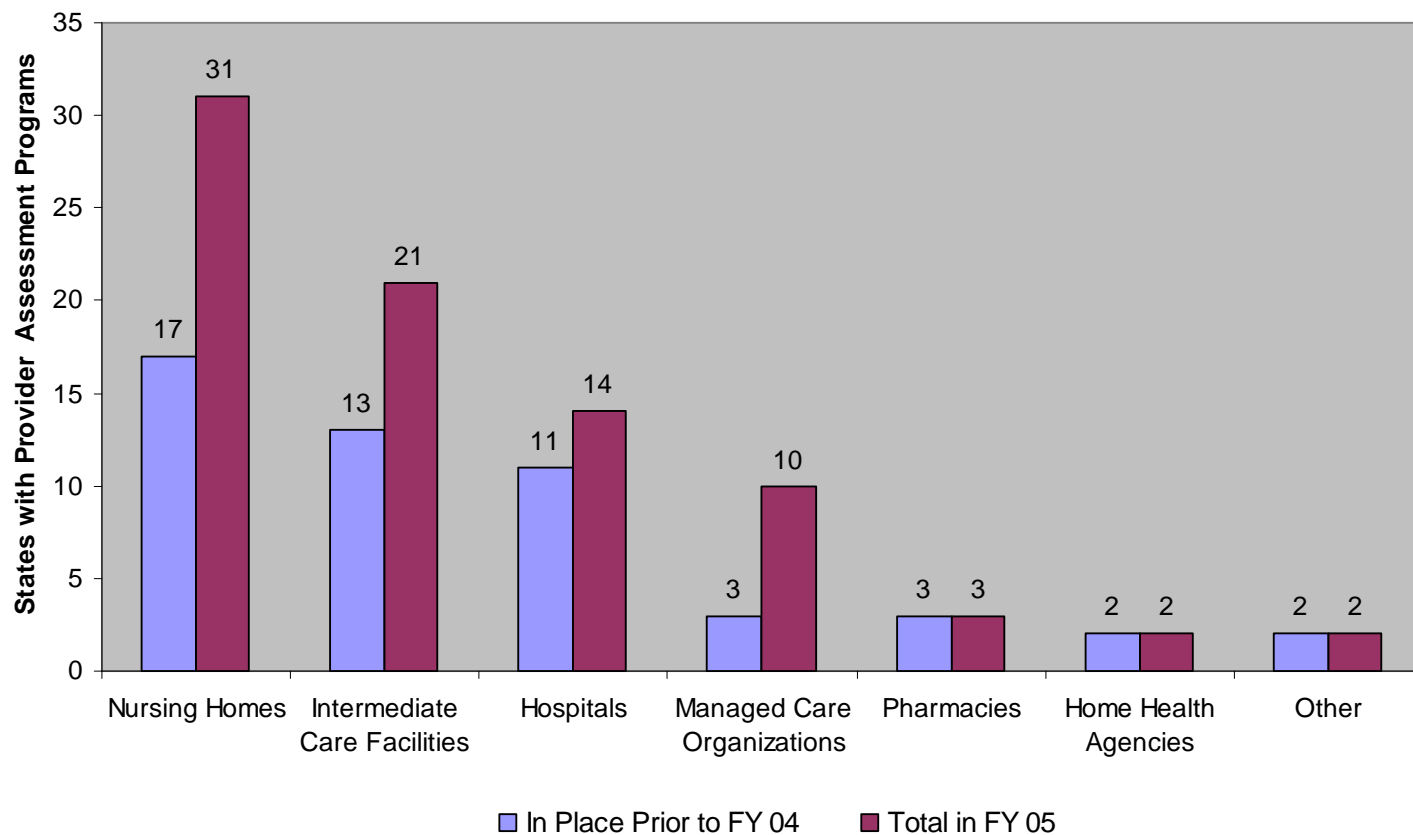
- Provider assessments are a bona fide legal funding source eligible for federal matching funds when used to reimburse Medicaid covered services
- Specific rules and regulations in place since 1993
- U.S. Congress passed legislation in 2006 putting provider assessments in statute through at least 2011
- 32 states and DC have implemented provider assessments on nursing homes

Many States Utilize This Source of Funding

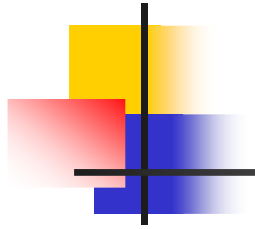
32 states and the District of Columbia have a
nursing home provider assessment



Provider Assessments Have Increased Federal Medicaid Matching Funds



Source: Kaiser Commission on Medicaid and the Uninsured



The Challenge

- A growing senior population
- Increased demand on Medicaid
- Tight fiscal times for Kansas
- *A solution:* more federal funds returning to Kansas to help care for frail and elderly citizens





Who Benefits from a Provider Assessment?

- **Medicaid Residents**

- Enhances rates paid for care that reduces the current gap between rates and cost of care
- Provide resources and incentives for providers to improve physical plant – more homelike environment
- Rate enhancements for direct care supports care-giver/staff retention and less turnover



Who Benefits?

■ **Private Pay Residents**

- Reduces strain on private pay rates that currently help fund the Medicaid shortfall
- Less pressure on providers to increase private pay rates
- Improvements to physical plant - creating more home-like environment



Who Benefits?

- **Providers/Care Givers**

- Opportunity to increase wages
 - Retention of employees
 - Ability to attract new employees
- Incentive to address capital improvements



Who Benefits?

■ **The State of Kansas**

- Additional funding used to enhance LTC provider rates helps Medicaid program pay for services
- State retains 20% of the new revenue, which is eligible to be spent on other Medicaid services
- Additional tax revenue generated when providers spend funds from enhanced rates
- Potential additional federal funds up to \$100 million